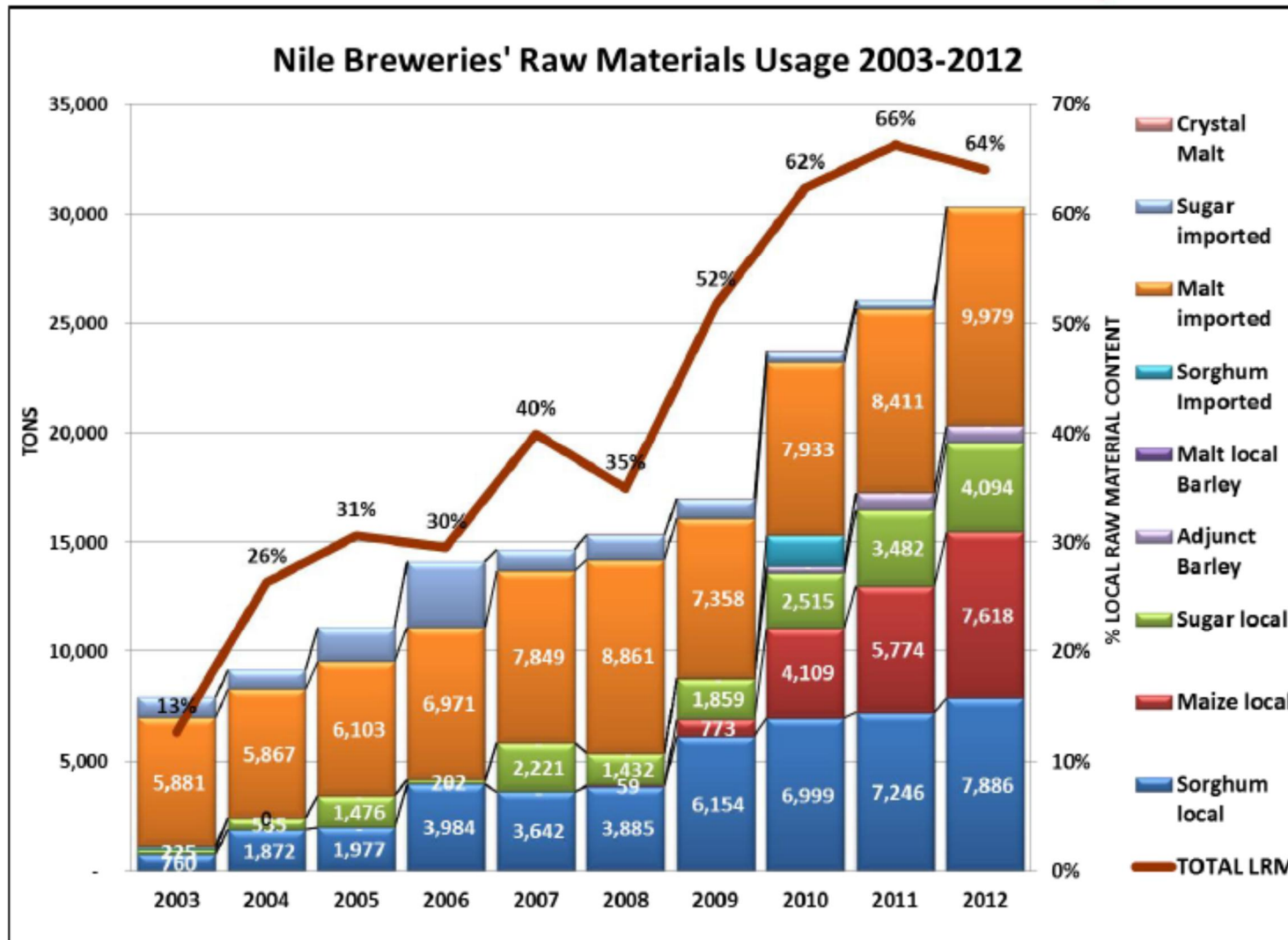




Breakdown of raw material usages

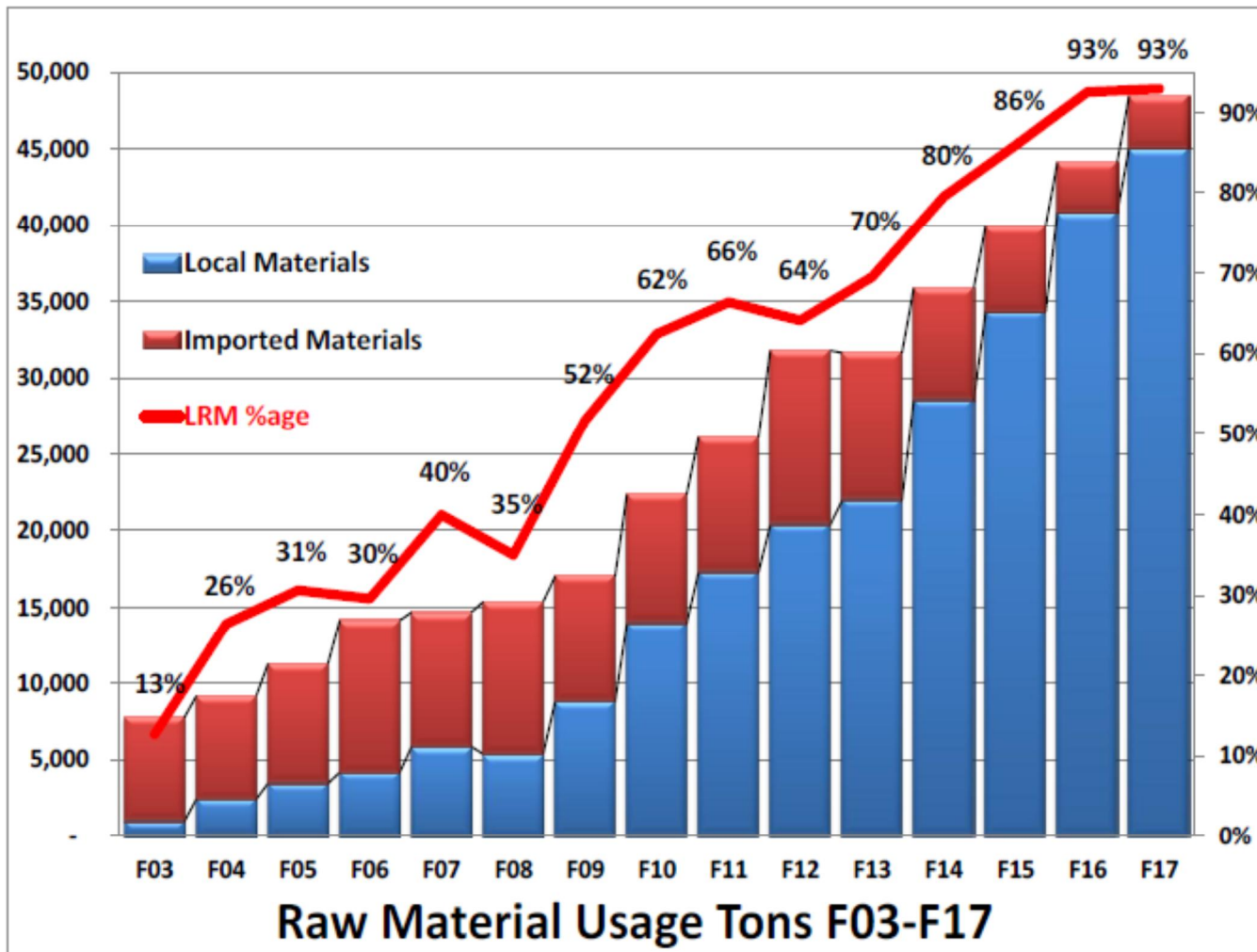




Percentage of local versus Imported raw materials



An Initiative of Nile Breweries Ltd.



➤ In 2002 local raw materials usage was 13% and this has continuously grown and now stands at 70% in 2012

➤ Projection is to achieve 93% by 2016

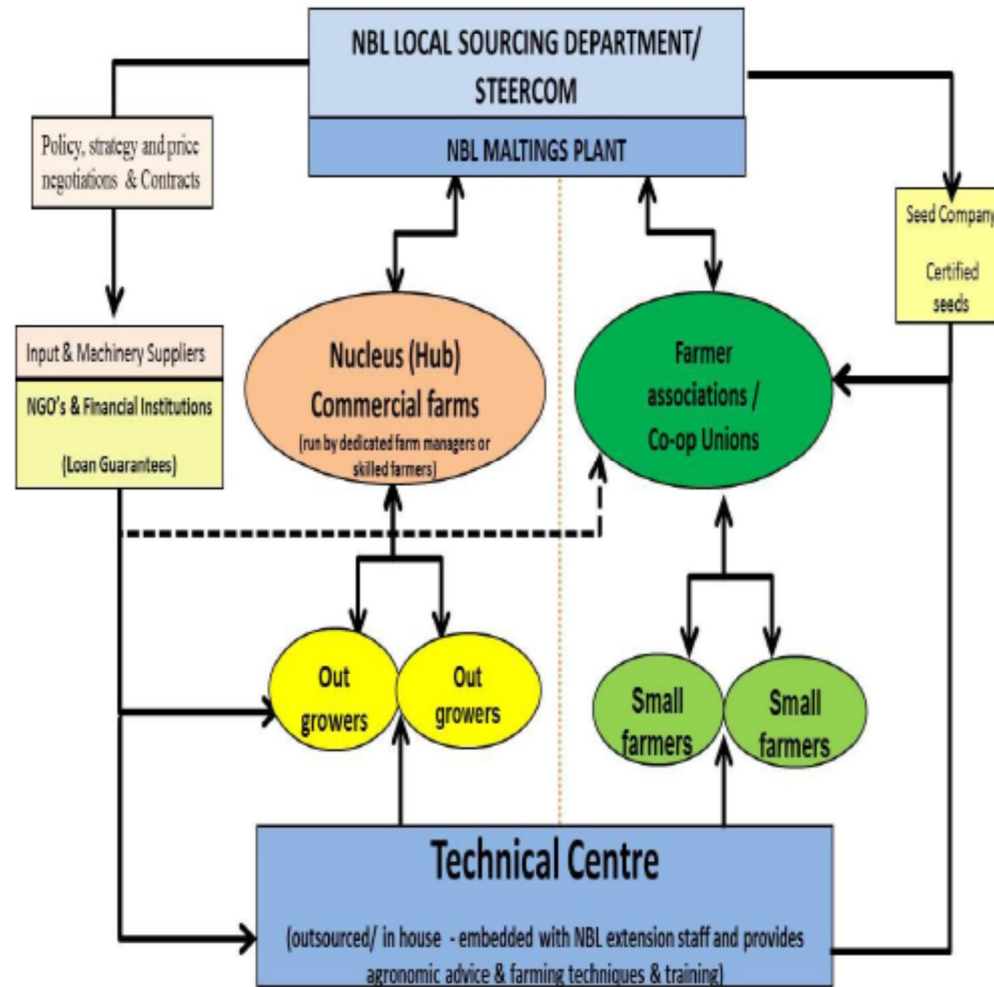




Supply chain model



- Nile Breweries has been fine-tuning its sorghum supply chain model.
- Hybrid model of small holders and commercial farmers , 50% smallholder and 50% commercial farmers.
- Two options are being developed: Commercial farming (large scale) option (also called Hub and spoke) and small holder option.
- 95% of the farmers are small holder farmers farming on less than 5acres
- Technical centres have been established for barley.
- Sorghum supply chain has regional processing centres.
- Yields of small farmers increased from 0.6 tons per acre to 0.8tons per acre with the model farmers achieving 1.0 – 1.4 tons per acre
- Barley yields for small farmers have increased from 0.5 tons per acre to the current 0.9 tons per acre with the model farmers achieving 1.4 – 1.6 tons per acre.
- The major drive is to change from traditional methods to modern farming

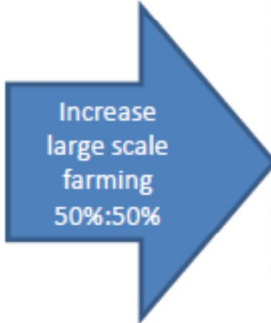




Supply chain model continued



Small scale farms



Large scale farms (Nucleus farms)



- Hybrid model of small holders and commercial farmers , 50% smallholder and 50% commercial farmers.
- The major drive is to increase the number of large scale farmers

Supply chain model continued

Traditional methods





An initiative of Nile Breweries Ltd.

Maltings Plant operations



- The “win/win” model of a public private partnership (PPP) with government based on Eagle project was used.
- New 40% excise category for local malt introduced
- 15,000 ton Malt capacity per year, \$20m investment
- 24 Permanent employees and +/- 9,000 farmers
- Current usage 10,000mt malt > 15,000mt in 5 years
- 15,000mt malt = approximately 20,000mt malting barley
- 2010- 2012: 6,500t local barley procured. Big drive to scale up
- Imported barley for commissioning, on-going operation on both local and imported barley until self sufficient from local farmers
- Good quality local Malt already being used in our brands



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